(27) "19—Finance and Accounts"

Rao Bahadur T. K. Nayar (*Prime Minister*): I rise to move for an additional allotment of Rs. 3,654/- under "19—Finance and Accounts—Printing". The printing charges for the year 1122 amounted to Rs. 8,056—14—0 as per bills received from the Government Press. Out of this a sum of Rs. 4,403—4—9 only was adjusted in 1122 as there was no sufficient allotment to adjust the whole amount. It was also not possible either to provide for the amount in 1123 budget or apply for additional allotment in 1122 itself on account of belated submission of the bills. An additional allotment of Rs. 3,654 is therefore necessary. I request that thet amount may be sanctioned.

Demand put and carried.

(4) CONSIDERATION OF THE REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Rao Bahadur T. K. Nayar (*Prime Minister*): I move that the report of the Public Accounts Committee on the Audit Report and Appropriation Accounts for the year 1121 be taken into consideration.

Mr. Parambi Lonappen (*Minister for Revenue*): I second it.

Mr. P. Govinda Menon (*Ernakulam*): Is this the first occasion that this report is being considered, because before this we have not considered it.?

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): In making the motion, may I know whether the Hon'ble Premier wishes to explain.

Rao Bahadur T. K. Nayar (*Prime Minister*): I am not making any explanation.

Mr. President: The rule is clear. "The recommendations of the Committee will be embodied in a report which will be laid before the Council. The Finance Member will formally move that the report be taken into consideration. The Council will thereupon be at liberty to discuss the report and to make additional recommendations in connection therewith."

***Mr. P. Govinda Menon** (*Ernakulam*): This being the first occasion on which a report of this nature is being placed for consideration of this House, I do not exactly know the procedure or the way or the manner in which the report placed before us has to be considered. But I would make a few suggestions for the kind consideration of Government. Reports like this about finance are not easily intelligible to most memebers of most legislatures. The matter of finance is so difficult, often so complicated, always so dry, that it will not be possible for members ordinarily to understand the implications of the several figures which we find in this report. I would therefore submit for the consideration of the Hon'ble Leader of the House whether it will not be better if a convention is built up under which, with the presentation of the report, some one on behalf of the Treasury Bench will make a lucid and clear anlaysis, an exposition of the figures revealed by this report. I am not at all complaining against the Prime Minister for not doing it now. I am not saying that he should do so. All of us probably are in the same boat. After making this preliminary remark, I wish to make a few observations about the figures revealed by this report.

It has often appeared to me that the annual financial statement which we popularly call the Budget is not being prepared with sufficient precision and care. The reason is that every sitting of the Legislative Council is flooded with demands for supplementary grants Now, Sir, look at the Agenda placed before this House for this Session. There are as many as 25 or 30 demands for supplementary grants. Most of these demands for supplementary grants are, according to me, necessitated because the annual budget itself was not properly prepared. I will just take one example to show how careless we have been in this matter.

Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): That is, in the preparation of the budget, you mean?

Mr. P. Govinda Menon (*Ernakulam*): Yes. As I said by way of prefatory remark, I am not complaining against anybody. I am just thinking aloud about these things. Under the Anchal Department, a supplementary grant for Rs. 28 was moved just a few minutes ago. Every demand for a grant, even if it is uncontested will take at least five minutes for the member in charge to make the motion, for somebody to second it, for the Hon'ble President to put it to the House and make a formal motion. And if the cost of this Legislative Council, is reckoned, I am sure, the time involved in getting a demand like that passed would be far

*Speech not corrected by the Hon'ble Member.

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above the amount asked for by the Government. Please read the note regarding this. "Government have sanctioned a washing allowance of 8 annas per mensem to all menials in the Anchal Department who are supplied with uniforms. There are 5 anchalmen in the Cranganore Anchal Office and the washing allowance to be paid to them for 11 months will come to Rs. 27—8—0. As orders sanctioning the allowance were issued only this year no provision could be made in the budget for the purpose....." This washing allowance allowed to anchalmen has been granted not to Cranganore anchalmen alone, but also, I suppose, it has been granted to all anchalmen, and if it has been granted to all anchalmen, then this is a clear omission in the Anchal Budget which was presented in the Karkadakam sitting (hear, hear).

***Mr. K. S. Ragahavan** *(Secretary to Government)*: Order sanctioning the allowance was passed only this year.

Mr. P. Govinda Menon *(Ernakulam)*: If the allotment for the allowance granted to the anchalmen of the State except Cranganore was got sanctioned before, it was the bounden duty of the officers to bring it the notice of the Minister concerned or to the Treasury Bench that this washing allowance will have to be paid to the anchalmen of Cranganore also. Please don't take it that I am finding fault with anydody.

Probably after the preparation of the Budget, washing allowance was sanctioned to all anchalmen. It must be given to all anchalmen, including those of Cranganore. When a demand for supplementary grant is made for these outside Cranganore in the Cochin State, it ought to have occurred to the clerk or whoever it is, that a demand for Cranganore also should be included. What I am sugsesting is that probably there is some laxity in this matter somewhere. This, of course, Sir, is not exactly on account of laxity of control in the Secretariat. That is my opinion. Here, in Cochin, many of our Heads of departments are not carrying on the administration, are not working in the departments, with sufficient fore-thought or with something like a plan in their mind. That is the reason why these supplementary demands for grants in such large numbers and so often are made. It is just at the time of the preparation of the budget that the departmental heads think or begin to think, if they think at all, as to what demands they should make to Government and often their proposals reach Government too late and they are being rejected, and although stringent orders are there, that what is rejected at the time of the preparation of the budget should not be raked up during the course of the next financial year, it so often happens that the Government is so solicitous of the interests of the people that such matters are taken up and therefore supplementary grants are often necessitated. I would earnestly put it to Government that some attempt should be made to change this state of affairs. I cannot speak with sufficient amount of clearness about all the departments concerned, but in order to clarify my point of view, I would take up one department, e. g., the Education department. Now in the Education department, there is the question of opening of new schools, the question of opening of new classes in schools, the question of furniture for schools and several other things for which money will be necessary. The schools reopen in Edavam and it is just after the reopening of the schools that the head of department of Education gets reports from the Inspectors of Schools or the Inspectress or Deputy Inspectors or from the public for opening new schools. He conducts an examination of the locality and comes to the conclusion that a school is necessary and he makes a report to the Government and Government sanction it. Government have no money in Edavam with them. Because money which could be utilised in Edavam has already been provided in the previous Karkadagam and at the time of the preparation of the Budget the person in charge of the Education department has absolutely no idea as to what will be the requirements in Edavam. Not that it is impossible according to me, sufficient forethought is not being applied to these matters. In all these matters Government must issue stringent orders to the departmental officers that they must have a plan about these things. And coming again to the Education department, it must be the duty of the Education department to survey the conditions in the country and have a plan. For example, take the taluk of Chittur. It is so easy. We want primary schools, large numbers of new primary schools in the Chittur taluk. Is it very difficult for Government to come to the conclusion that so many schools are required in the Chittur taluk for providing sufficient schools for the children of Chittur? It is not difficult. After coming to that conclusion, a plan can be come to under which a given number of schools will be opened every year at the time of reopening. And if the Government comes to that conclusion, if the department comes to that conclusion and Government accept that, then money can be provided. We can act with a plan and by not doing so, several complications arise.

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[Mr. P. Govinda Menon.]

Again, Sir, take another spplementary grant here. Again, in the Education Department, some additional amount is required for starting the Botany Section in the Maharaja's College. I remember that money was granted for starting a Botany Section in the Maharaja's College. And the Botany Section, to the best of my recollection, was started in Edavam or Mithunam 1122. At the time of starting that Botany Section the Government called for an exhaustive report from the authorities concerned, that is from the persons in charge of the matter concerned and they placed before the Government the exact requirements for starting the Botany Section. Thereafter other demands come. Now if these demands come—I am not saying that these demands should be rejected, because in the interests of good administration, Government will have to accept them and provide money for the purposes concerned, but at the same time, Government must see to it that the subordinate officers of Government are not lax in such matters so that lacunae appear. For example, "the Professor of Chemistry has reported that in connection with the starting of the B. Sc. (Botany) group in the Maharaja's College the following non-recurring allotments are necessary for the Botany Department; Science Materials Rs. 4000, Library-Rs. 500, and Botany Excursions Rs. 600". These are certainly, Sir, items which could be thought of by any Professor concerned when the Botany Section is contemplated to be opened in the Maharaja's College. Why wait till the middle of the year? It is an attempt in this direction which I will earnestly request the Government to make in order that the Council at least may not be flooded with demands for supplementary grants. Now, every Legislative Session of this Legislative Council converts itself more or less into a Budget Session on account of the several items of demands made in every Session. There is a rule and a very wholesome rule that when demands for spplementary grants are brought forward, it is not open to the House to make long debates and to raise fresh issues or have a discussion of policy. That rule was evolved because in the very nature of things the demands for supplementary grants will be for additional amounts of money, but when fresh demands come, almost in the nature of a Budget, then it becomes obviously necessary for Members of this House to make speeches in the nature of speeches which would have been made in the Budget Session. We have been noticing, and not solely on account of the sense of irresponsibility of the Members of this House, we have been noticing that the work in the Legislative Council is not progressing. Although we are having a long agenda and although it is necessary both for the Government and the public and the representatives of the public to see that the agenda is finished, the Bills are passed, the demands are passed, although it is so, after a five-days sitting we return home without having transacted any substantial amount of business. The reason is this: In these matters we must act with some plan. This Legislative Council, the rules of this Legislative Council, the Standing Orders, the procedure here, these things were made and evolved at a time when the functions of this Legislative Council were really very meagre, when it did not really function as one of the three limbs of Government. This Legislative Council, when it was started, was simply a petitioning body. It was simply an advisory body and it did not matter much to Government in those days whether a certain amount of work was turned out by the Legislative Council or not, because the work turned out by the Legislative Council used to be in those days work to be disposed of by Government later, *e. g.*, a resolution passed here had to be disposed of by Government, a Bill passed here had to be considered by Government and disposed of and any other motion which came up before this House had to be considered and disposed of by Government. Now, the times have changed. Now, on the other hand, if Government have to do anything, it has to pass through this Legislative Council, if the Government want to carry on administration, it must get through this Council, if the Government want to make urgent legislation, it has to pass through this Council—of course there is the Proclamation-making powers of the Maharaja - in all these things, Government have to pass through the will of this Council.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri):* Which will grind hard.

Mr. P. Govinda Menon *(Ernakulam):* For example, the Public Health Bill. If the Government feel that it is necessary in the interests of administration to have the Bill placed on the Statute Book, it has to pass through this Legislative Council. Therefore, the Legislative Session of the Legislative Council must really be devoted for purposes of legislation. We have been sitting here from 12 O' clock yesterday and we are now nearing 5 O' clock and we have not yet reached the legislative business. It is in order to avoid that, that I make this suggestion.

Therefore, my submission is, please see to it - I do not say the Government is at fault - we are only evolving such things as has been suggested somewhere in this report, in these abnormal

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pays, I do realise often Government will have to go in for additional expenditure not contemplated in the Budget, *e. g.* if a food production drive has to be launched, if new schemes have to be taken up not contemplated at the time when the budget was framed, if succour has to be given to the agriculturists in order to step up production, certainly nobody will object to that course, cartainly money will have to be asked for and taken. Therefore, there is some difficulty in these days, but in the case of normal departments, I think it will be worth while to have an attempt to see that the departmental heads are called to order (hear, hear) and to work with some amount of precision in these matters. Why I particularly referred to the Education Department was, when I was Minister, I had occasion particularly to study the difficulties of Government in the Education Department on account of the peculiar facts which I referred to. I, therefore, take this opportunity to make this suggestion to the Hon'ble Leader of the House. I am sure he will consult expert opinion if necessary in order to mend matters along the lines which I suggested. I would also, although it is not very directly connected with the subject-matter of my speech, request the Government and the Hon'ble President to consider whether in view of the changed situation here where every item of administration, every branch of administration, every piece of legislation, every item of expenditure, will have normally to pass through this Legislative Council, whether under these changed situation, some changes in the procedure of the Legislative Council also are not necessary, so that work may be carried out expeditiously. Beyond these few remarks, Sir, I have nothing further to offer on the motion made by the Hon'ble Prime Minister.

*Mr. P. Kumaran Ezhuthassan *(Vadkkancheri):* Mr. President, I querried at the start whether the Leader of the House, the Hon'ble Premier in charge of the Finance had any observation to make in presenting the report of the Public Accounts Committee and he said, not only that he said that he has not, but it is a privilege -(not exactly the words) simply to make the motion. I agree that my esteemed friend is in very honourable company in that process. Other Finance Members have done it. You are in good and happy company. Precedent is not wanting. Then followed my esteemed friend who spoke regarding the stupid way in which the budget for the year has been prepared, the unsatisfactory way in which the budget for the year 1123 was prepared in 1122 Medam, scrutinised in the subsequent months following Medam and brought before this House in the month of Karkadagam 1122. I was very happy to hear those observations of stupidity. A confession there is and a confession is always welcome. There was that. Then was the observation, Sir, that it is necessary, it is imperative that the departmental heads are brought to their senses and made to realise that they are the servants of the public of Cochin entrusted with a certain amount of work allotted to them to be done from time to time and that their work is extracted from them. Very good. That is a very helpful suggestion. It is an eye-opener. Very good, Sir. I am sure that the present Government will be profited by these observations. He made specific reference to the unsatisfactory ways of particular department which was one of his portfolios while my esteemed friend, the previous speaker, was the Minister and later the Premier in Charge of Education. I was so very happy in hearing so many observations emanating from him. Then I pass on to the subject of supplementary demands which have become a nuisance in this House in these recent years. Budgets we pass for a few crores of rupees, because we could not pass for more than what we get, even by windfalls in times of war; otherwise we could have passed for greater amounts. Budget we pass in the unhappy, cold days in Ernakulam. But as was observed by my esteemed friend, formerly in the month of Vrischigam but this year in the month of Kanni the process started of additional grants being asked for and without examination being granted by this House. I am not exaggerating, Sir, though the books are not printed, those long volumes there, incorrectly typed, will show you the correct figures of supplementary grants asked for in the month of Kanni. So, after Chingam and 24 days of Kanni, that is, on the 54th or 55th day, the Government which was run by a very responsible body of politicians representing or rather claiming to represent the 14½ lakhs of people, after the passing of a budget prepared by Government, scrutinised and demanded by them and granted by us, within 54 days, Sir, the identical Government, those great men, were seen here with demands for supplementary grants, which the Opposition in those days could not even examine, and got passed by the House, and got the money for being frittered away by new cars, upon new posts, unwanted post, undesirable men being paid,—that supplementary demand was passed. So. I was just on the point—feelings took me at a tangent to something which may not be strictly relevant. My friend was on that. He was pointing out, Sir, that the budget must be

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[Mr. P. Kumaran Ezhuthassan]

prepared in such a way that the demand for supplementary grant is reduced to the irreducible minimum.' That is a very helpful suggestion, a very thankful suggestion and very imperative suggestion given by him. Try to profit by that. Look at the 27 items of supplementary grants and the items typed, and what is the total of the amounts and what is the occasion on which we pass the supplementary demands. It is the third occasion within six months. And when you total the amounts taken in this manner you will find, Sir. that the supplementary demands for the year 1123 asked for by the Government and granted by this House will amount to almost half the amount that was sanctioned in the month of Karkadagam. That has been the feature of this Government for the last so many years. But Sir, inclusive of the year 1121 that was excusable. What took place in the month of Karkadagam 1121, what followed in the month of Chingam 1122 should have changed the phase of things as far as the budget is concerned. Should not the budget of 1122 have been a budget different, completely different from the budget of 1121 and the preceding years? The setting should have been different, the contents should have been different and many other things should have been different from its predecessors of 1121 and earlier years. Confession there was from the Hon'ble friend of mine who was responsible for the presentation of the Budget, not in the sense that he was the Comptroller of Accounts, but still he was responsible. What after all was the Comptroller in those days except the echo of his Master, the Government, the Chief Minister. Our Comptroller and Finance Secretary are only the echoes of the Government of the day, but the Comptroller really is not that sort of officer, Sir, he is the officer in charge of the finances. Having direct audience with the Ruler, he is perhaps the greatest man, greater than the Premier, the man who has got the purse-strings with him. That apart, the confession I note, I am glad. Now, Sir, are we so poor in this realm? We had, Sir, a year or rather a small period when a financier, a statesman, a politician of the first degree, for all these three departments had been at the helm of affairs here. He took charge of the reins of administration in the month of the Medam 1110, he saw the budget, the way in which it was prepared, the way in which it was presented and discussed. He could not do much then. He noted, his face frowned, his eyes—I do not know the process—the eyes changed its original position. And also he saw the phenomenon of Vrischigam and Makaram and Meenam sessions having supplementary demands as of old coming to larger amounts.

I asked the Secretary to give me the Legislative Council proceedings of 1112 of the Legislative Council Session. I have made my own calculations of the supplementary demands that were made in the year 1112, the first year of the Legislative Council Meeting under the Presidentship of the distinguished Dewan of Cochin, the present Finance Member of the Government of India, Our friend, the distinguished politician, that distinguished gentleman, that distinguished administrator—no I am not simply praising him, Sir, I am only saying the facts—he could note of the stupidity of wooden Government of those days as exhibited in the year 1112 in the Legislative Council Meetings, which asked for a large amount as supplementary demand. Then that great statesman, politician and administrator that he was, he took up his pencil and in his flowing hand, wrote a circular addressed to the Departmental heads, passing, of course, through the Secretariat, to this effect that in the preparation of the Budget—(I am not speaking for the information of my friend—seeing the record of the Cabinet of today but earlier) that care should be taken for demanding supplementary grants, and supplementary demands should only be asked if it exceeds any reasonable amount and only for unforeseen things and if it is not adhered to, that department will have no place in the Cochin Service. In the year 1112, in the first Vrischigam Session a supplementary demand for Rs. 9,686 was made in contra-distinction to the nine lakhs and odd rupees which we find in these days. On an examination of the demand and the cut motion you find that there is something which could not be seen even by genius at the time of the preparation of the Budget. It was only, Sir, Rs. 8,978, now it is 17 thousand.

Mr. President: This has no bearing upon the Public Accounts Committee. You are discussing the accounts of 1122. How is this matter relevant to the subject under discussion.

*Mr. P. Kumaran Ezhuthassan (*Vadakkancheri*): I am surprised, Sir, but I am glad that the querry is made. I have seen discussions of Public Accounts presented in Legislative Assemblies elsewhere, Motions made in the form in which the Leader of the House has made motion made in other form where the salient features are explained and criticisms are made and

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I have heard as I am reading here, where comments of this nature and of the nature far divergent from the line that I persued are made. That, Sir, is the scope provided for. It has got a bearing upon the Finances of the State for which the appropriation accounts are prepared though in the third year and six months after the fourth year. I submit Sir, I was referring to the various observations of my esteemed friend, and Minister in charge of earlier days who know his business as the Leader of the Opposition—although he was not able to carry out those injunctions in his own days when he had the wheel under him. I was on the days of the administration of the State by that distinguished financier, that distinguished statesman and politician. We find, Sir, that in the two years which is now corresponding to the meetings that we are now having instead of the large lakhs of money that have been asked for 1123, we find, Sir, only 18 thousand rupees, was asked for in the Meenam Session. The total of the supplementary demands in the other session asked for was 16 thousand rupees. So on the whole, Sir, 33 thousand was the total supplementary demand in the year 1112. There was a man who knew how to govern, how to control, how to command work, and punish the lazy drones. What did the Hon'ble friend the Leader or the Opposition say? He said that the departmental heads should be made to understand what they are for. Will you please do it or allow them to grow as miniature Ministers of premiers. I have once characterised that departmental heads were the miniature Dewans—now I say miniature Ministers and Premiers. Even when meeting them you must know to keep your distance, even the way in which you occupy the seats, but still Sir, you are our Ministers. They are our servants, just as you are our supervising servants whose masters we are. Therefore when I find, Sir, any departmental head seated undeservedly, I feel ashamed. I have a mind to ask the gentleman to please clear the way to others.

മിസ്റ്റർ എം. കെ. രാജ; ബഡ്ഡറ്റ ശരിയ്ക്ക് തയ്യാറാക്കുവാനുള്ളതായ കാര്യമാണോ ഇവിടെ പറയുന്നത്?

മിസ്റ്റർ പി. കുമാരനെഴത്തശ്ശൻ; മനസ്സിലാകാത്തവരെ, മനസ്സിലാക്കുവാൻവേണ്ടി പറയണമെന്നു് ഞാനുദ്ദേശിക്കുന്നില്ല. സർ, പ്രതിപക്ഷനേതാവു് ചൂണ്ടലാബോധത്തോട കൂടി ചെയ്ത ആ നിർദ്ദേശം പ്രത്യേകിച്ചു ഡിപ്പാർട്ട്മെണ്ടൽ ഹെഡ്സ്സിനെ ധരിപ്പിച്ചു അവരെക്കൊണ്ടു വേണ്ടതൊക്കെ ചെയ്യിക്കണം. അവക്ക് ഈ കാര്യത്തിൽ എന്തെങ്കിലും തെറ്റു പറ്റുന്നുണ്ടെങ്കിൽ അതു തിരുത്തിക്കുകയും ബഡ്ഡറ്റ തയ്യാറാക്കുന്നകാലത്തു് അതിൽ ഉൾപ്പെടുള്ളിക്കുന്ന ഇനങ്ങളും സംഖ്യകളും താരതമ്യേന സപ്ലിമെൻറിഡിമാൻഡിന്റെ കാര്യം കഴിയുന്നതും ചുരുങ്ങുവാനുള്ള വിധത്തിൽ ആക്കുകയും ചെയ്യണം. പബ്ലിക്ക് എക്കൌണ്ട്സ് കമ്മിറ്റി റിപ്പോർട്ട് അച്ചടിച്ചിട്ടുള്ളതു് വായിച്ചുനോക്കിയാൽ സംഖ്യകൾ പഠിക്കുന്ന കാര്യത്തിൽ നൈപുണ്യമുള്ള ഒരു കസ്തൂരകാരനല്ലാതെ അതു് സാധാരണക്കാരന്നു് മനസ്സിലാവുകയില്ല. മിസ്റ്റർ പനമ്പിള്ളി ഗോവിന്ദമേനോൻ ഇതു് സാധാരണക്കാർക്ക് മനസ്സിലാവുകയില്ലെന്നു പറഞ്ഞാൽ അതിന്നു അർത്ഥമുണ്ടു്. അദ്ദേഹം ഫൈനാൻസ്സിന്റെ ചാർജ്ജുള്ള ഒരാളായിരുന്നു. അന്നു അദ്ദേഹത്തിന്നു നല്ല ഏർപ്പാടുകളൊക്കെയുണ്ടായിരുന്നു. അദ്ദേഹം അതുപോലെ ഫൈനാൻസ്സിനെപ്പറ്റി പഠിക്കുവാൻ ചുമതലപ്പെട്ടു. ഫ മാസമല്ലേ ഇരുന്നുള്ളൂ. എന്നാലും അദ്ദേഹം അതിനെപ്പറ്റി വേണ്ടവിധം പഠിച്ചു. അതിന്നുമുമ്പും അദ്ദേഹത്തിന്നു് ഫൈനാൻസ്സിനെപ്പറ്റി മനസ്സിലാക്കുവാൻ സാധിച്ചിട്ടുണ്ടു്. ഞങ്ങൾ രണ്ടുപേരും ചില കാര്യങ്ങളെപ്പറ്റി ഒരുപോലെ ചിന്തിക്കും. ഇക്കാര്യം അങ്ങിനെയുള്ള ഒന്നാണു്. ഒന്നാമതായിട്ടു എനിക്കു പറയുവാനുള്ളതു് ഫ ഫ ഫ-ലെ അപ്രോപ്രിയേഷൻ എക്കൌണ്ടിനെപ്പറ്റിയാണു്.

മിസ്റ്റർ കെ. ഗോവിന്ദമേനോൻ; ഇവിടെ ഫ ഫ ൦-ലെ കണക്കാണു് കൺസിഡർ ചെയ്യുന്നതു്.

മിസ്റ്റർ പി. കുമാരനെഴത്തശ്ശൻ: ഫ ഫ ൦-ാമാണ്ടു കർക്കടകമാസംവരെയുള്ള പണത്തിന്റെ കളിയെപ്പറ്റിയുള്ള ഒരു കണക്കാണു് ഇതു്. അതു് ഫ ഫ ന കുംഭമാസത്തിൽ ഇവിടെ കൊണ്ടുവന്നു. നോക്കിയാൽ ഒന്നും മനസ്സിലാവുകയില്ല. എനിക്കു പറയുവാനുള്ളതു് ഫ ഫ ൦-ലെ കണക്കു് ഫ ഫ ന-ൽ കൊണ്ടുവന്നാൽ പോരായെന്നാണു്. ഫ ഫ ൦ കർക്കടകമാസത്തിലെ ശമ്പളം കൊടുത്തുകഴിഞ്ഞു. ആ കൊല്ലത്തെ കണക്കു് അവസാനിപ്പിക്കുന്നതു് ഫ ഫ ഫ ചിങ്ങത്തിലാണല്ലൊ.

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[Mr. P. Kumaran Ezhuthassan]

പിന്നെ ഈ കണക്കൊക്കെ ഇത്രയും താമസിച്ചു കൊണ്ടുവരുകയെന്നുള്ളതു് നിങ്ങൾക്കുള്ള ചുമതലാബോധത്തിന്റെ കുറവാണു്. അതുകൊണ്ടു് ആരുടേയും മുഖം നോക്കാതെ, ചാവ്വക്കാരുടേയും വേഴ്ചക്കാരുടേയും കായ്മും ആലോചിക്കാതെ വീഴ്ചക്കാരെ ഡിസ്മിസ്സ് ചെയ്യുവാനുള്ള തന്റേടം നിങ്ങൾക്കുണ്ടെങ്കിൽ, അതിനുള്ള ചുമതലാബോധം നിങ്ങൾക്കുണ്ടെങ്കിൽ, ഈ അപ്രോപ്രിയേഷൻ അക്കൊണ്ടു് വേഗത്തിൽ ശരിപ്പെടുത്തുവാൻ സാധിക്കുമെന്നു് എനിക്കുറപ്പുണ്ടു്. ഇപ്പുറത്തിരിക്കുന്നതു് ആരാണെന്നുള്ളതുംകൂടി നിങ്ങൾ നോക്കണം. ഇപ്പുറത്തിരിക്കുന്നവർ ചിലപ്പോൾ അപ്പുറത്തും ഇരിക്കേണ്ടിവരും. എന്തിനു പറയുന്നു, കുറെ ആലോചനയോടുകൂടിയിരിക്കുകയാണെങ്കിൽ, ഫ്രഫ 0—ലെ കണക്കു് ഫ്രഫ-നു് ഒരിക്കലും വരാൻ പാടില്ല. അതിനു വളരെ മുമ്പു കൊണ്ടുവരണം.

Mr. P. Govinda Menon *(Ernakulam):* When the actuals of 1120 will be ready.

മിസ്റ്റർ പി. കുമാരനെഴുത്തശ്ശൻ: ഇങ്ങിനെയുള്ള സ്ഥാനങ്ങളിൽ സേവക്കാരെ പിടിച്ചിരുത്താൻ പാടില്ല. ഇന്ന ആളുടെ മകനാണെന്നു പറഞ്ഞാൽ സാധിക്കുകയില്ല, ഇങ്ങിനെയെല്ലാമുള്ള നിർബ്ബന്ധത്തോടുകൂടി പ്രവൃത്തിച്ചാൽ മാത്രമെ ഇതു വേഗത്തിൽ നിവൃത്തിക്കുവാൻ സാധിക്കുകയുള്ളൂ.

മിസ്റ്റർ കെ. ഗോവിന്ദമേനോൻ: ഇതിനെ സംബന്ധിച്ചുള്ള റൂൾസ്സ് വശ്യികത്തിൽ പാസ്സാക്കിയതാണു്.

മിസ്റ്റർ പി. കുമാരനെഴുത്തശ്ശൻ: ഈ റൂൾസ്സ് ആവശ്യം അനുസരിച്ചു മാറാനുള്ളതാണു്. അതു് ഇരിമ്പുലക്കപോലെയുള്ള ഒന്നല്ല. ഏതായാലും ഈ കായ്മത്തിൽ അബദ്ധം വന്നുപോയി, ഇനി ഇതുപോലെയുള്ള അബദ്ധം വരരുതു്. ഇമ്പീരിയൽ ഗവണ്മെണ്ടിന്റെ ഫ്രൻ ർ ന — ഫ്രൻ ർ ർ-ലെ കണക്കുകളൊക്കെ ഫ്രൻ ർ ന്യ-ാമാണ്ടു് കൊണ്ടുവന്നതാണെന്നും പറഞ്ഞു് ഒഴിയാൻ നോക്കരുതു്. അവരേക്കാൾ കൂടുതലായി നന്നാകാനല്ലെ നമ്മളുടെ ശ്രമം. ഇതിന്റെ ചെയർമാൻ ആരാണു് എന്നൊന്നു പറയാമോ?

മിസ്റ്റർ കെ. ഗോവിന്ദമേനോൻ: ഫൈനാൻസ്സ് മിനിസ്റ്റർ.

മിസ്റ്റർ പി. കുമാരനെഴുത്തശ്ശൻ: അപ്പോൾ ഒരു വ്യത്യാസം വരുത്തണമോയെന്നു് എനിക്കൊരു സംശയമുണ്ടു്. ഫൈനാൻസ്സ് മിനിസ്റ്റർ എന്നുവെച്ചാൽ അദ്ദേഹമില്ലാത്ത ഒരു Non Official committee ഉണ്ടായി കൂടായെന്നാണു്. പല ചിലവുകൾക്കും സാങ്ക്ഷൻ നൽകീട്ടുള്ള ആ കൈ തന്നെ ആവക സംഗതികളെ പരിശോധിച്ചു അഭിപ്രായം പ്രകടിപ്പിക്കുന്ന കമ്മിറ്റിയുടെ അദ്ധ്യക്ഷനായിരിക്കുന്നതിനേക്കാൾ വേറൊരു അനുദ്യോഗസ്ഥൻ—തനി അനുദ്യോഗസ്ഥൻ—അദ്ധ്യക്ഷനായിരിക്കുന്നതല്ലെ കുറേക്കൂടി നന്നായിരിക്കുക എന്നു എനിക്കഭിപ്രായമുണ്ടു്. ബഡ്ഡറ്റ പ്രിപ്പയർ ചെയ്യുമ്പോൾ കുറേക്കൂടി ശ്രദ്ധിച്ചാൽ തരക്കേടില്ല. ബഡ്ഡറ്റ ആരുതന്നെ തയ്യാറാക്കുന്നതായാലും സപ്ലിമെന്ററി ഡിമാൻറ്സ് വളരെ ചുരുങ്ങിയിരിക്കത്തക്കവിധം വേണ്ട ചിലവുകളെല്ലാം ബഡ്ഡറ്റിൽതന്നെ കൊള്ളിക്കാൻ ശ്രമിച്ചാൽ സാധിക്കും. അതുകൊണ്ടു് ഇതു് ഇനിയത്തെ പ്രാവശ്യമെങ്കിലും മനസ്സിരുത്തി പ്രവൃത്തിക്കുന്നതു് നന്നായിരിക്കുമെന്നു് പറഞ്ഞുകൊണ്ടു് എന്റെ നിരൂപണം അവസാനിപ്പിക്കുന്നു.

Mr. President: The suggestions of the Hon'ble Member are very valuable. But he has taken much time.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri):* We want to know, Sir, the time-limit for discussion.

Mr. President: I said that the Hon'ble Member's suggestions are very valuable. I am not fixing any time limit. If you can say in a briefer manner, ii will be better.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri):* In my anxiety to my duty I have taken much time. But let me just say a few words.

Mr. President : That point is clear.

Mr. P. Kumaran Ezhuthassan *(Vadakkancheri):* I repeat it for emphasis.

Mr. P. K. Dewer *(Nominated):* May I know Sir, whether the Committee has considered the report for 1121 by this time and when they hope to give the report for 1122.

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Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): The report for 1121 will be considered very soon.

Mr. P. K. Dewer (*Nominated*): May I know Sir, what action has been taken on the suggestions made by the Committee.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): It is placed for the approval of the Council.

Mr. P. K. Dewer (*Nominated*): May I know on the Committee's report what action has been taken by the Government against the remarks made by the Committee on the audit reports. The Council will be interested to know how far the Government have been benefited by the remarks of the Committee and how far the officers are improving with regard to the serious irregularities repeatedly committed by them from 1121 onwards.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): After consideration in this House orders will be issued to Heads of Departments.

Mr. P. K. Dewer (*Nominated*): You say, about a certain man suspended, the Committee has made certain remarks. Have you taken advantage of these remarks. You must make the House understand what action you have taken in the matter.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): Which is the report you refer to ?

Mr. P. K. Dewer (*Nominated*): It is the report which was presented to-day.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*) : I am not conversant with it.

Mr. P. K. Dewer (*Nominated*): There is some misappropriation somewhere. The Committee suggested that "such men should not be put in responsible posts, etc." There are certain other things also, I do not want to read the whole thing here. We want to know what action has been taken.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*) : He was punished.

Mr. P. K. Dewer (*Nominated*): That is not what I say. There is a definite instruction for you, that they should not be put in responsible posts and posts having the charge of cash or money transactions. These are things we want to know.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): They are not given charge of such Sections.

Mr. Paramel Ipe Ipe (*Kunnamkulam*): On a point of information, Sir. The audit report both for 1120 and 1121 show in Nelliampathy scheme, etc., that the profit and loss account of the scheme has not so far been worked out and it is not ascertained whether the scheme was actually working on a profit as anticipated in the revised budget. Similarly, also in Goat farm a capital expenditure of Rs. 490—6—0 was incurred under the scheme during the year 1120 and the total expenditure at the close of the year stood at Rs. 9,240—6—0. In this case also the profit and loss statement has not yet been worked out to see whether the scheme was actually working at a profit in the year under report as anticipated in the revised budget. The same wording is found repeated in 1121 also. By this wording it is not possible to know whether these schemes are working at a profit or loss.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): Nelliampathy is working at a loss.

Mr. Paramel Ipe Ipe (*Kunnamkulam*): The same thing is seen under the head "Goat Farm". The total capital expenditure incurred on the scheme at the end of the year 1121 amounted to Rs. 14,767. It could not be stated whether the scheme was working at a profit or loss as no Balance Sheet or profit or loss statement has been worked out.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): There are some doubts about the figures.

Mr. Paramel Ipe Ipe (*Kunnamkulam*): So are we to understand that the Government are not in a position to say whether the difference is a loss or gain.

Mr. President: Is it that we are continuing consideration to-morrow.

Mr. K. Govinda Menon (*Comptroller of Accounts and Finance*): Yes.

The House rose for the day at 5 p.m.

N. I. OUSEPH
Secretary to the Council

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APPENDIX

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE ACCOUNTS OF COCHIN STATE FOR THE YEAR 1120 (1944—1945)

Section I—Introductory

Under rule 64 of the Cochin Legislative Council Rules, a Committee on Public Accounts was constituted by Government to examine the Audit Report and Appropriation Accounts for the year 1120 M.E. (1944-1945) in the manner prescribed in the Cochin Legislative Council unles, to consider any other matter which might be referred to it by the Finance Department and to submit a report containing the results of its examination and its recommendations. The committee consisted of the following personnel.—

Diwan ..	Chairman.	
Secretary to Government (Finance Department) ..	Secretary	
Secretary to Government (Development Department) ..	Member	(Nominated)
Comptroller of Finance and Accounts ..	Member	,,
M.R.Ry. P. K. Dewer Avl., M.L.C. ..	Member	(Elected)
M.R.Ry. P. K. Paul Avl., M.L.C. ..	Member	,,
M.R.Ry. Ambat Eachara Menon Avl., M.L.C. ..	Member	,,

1. Owing to other preoccupations, it was not possible for the Diwan to preside over the meetings of the Committee. The Chief Secretary to Government was nominated by him to officiate as the Chairman of the Committee. Accordingly the Committee had its deliberations under the Chairmanship of the Chief Secretary to Government.

2. We met on the 11th and 12th July 1947 and again on the 7th August 1947 to consider report of the Comptroller of Finance and Accounts relating to the Appropriation Accounts of the State for the year 1120 (1944-1945) and other matters referred to us.

3. We were furnished with notes prepared by the Departments of the Secretariat on matters mentioned in the Audit Report and Appropriation Accounts falling under the following heads.—

(*i*) Unnecessary or Excessive Supplementary grants,

(*ii*) Reappropriations obtained unnecessarily or in excess of requirements,

(*iii*) Injudicious reappropriations and surrenders causing excess expenditure over final appropriations,

(*iv*) Failure to surrender Savings,

(*v*) Unremedied or uncovered excess of expenditure over final appropriations,

(*vi*) Financial Irregularities.

4. The next section of this report contains our specific recommendations on the more important points considered. Our conclusions regarding less important items will be found in Appendix A.

We were also furnished with a memorandum showing the action taken by the Government on the Audit Report and Appropriation Accounts for the preceding year (1119). This memorandum together with our remarks on the action taken will be found in Appendix B.

Section II—Comments on Appropriation Accounts

General Summary of the figures and Accuracy of budgeting.

5. Percentage of Excesses and Savings.

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The following table shows the total amounts of grant voted and non-voted and the actual expenditure against them.—

	Total grants	Total expenditure	Excess+Savings—	Percentage of Excess or Savings to total grant
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
Voted ..	1,59,56,359	1,48,24,273	—11,32,086	—7·1
Non-voted ..	92,83,865	94,52,351	+1,68,986	+1·8
Total ..	2,52,40,224	2,42,77,124	—9,63,100	—3·8

The statement sub-joined compares the savings in appropriation and grants in the year under report with those in previous years.

Year	Percentage of Saving or Excess under (—) (+)		
	Voted	Non-voted	Total of voted and non-voted
	Rs.	Rs.	Rs.
1116	—5·3	—1·5	—3·7
1117	—6·4	+1·04	—3·1
1118	—4·6	+6·23	+0·4
1119	—11·9	—0·76	—7·6

We consider that under normal conditions 2 per cent of the final grants will be the reasonable limit of variation between final grants and actual expenditure. In 1120 there has been a Saving of 7·1 per cent under "Voted" and an excess of 1·8 per cent under "Non-voted". The percentage of savings in the aggregate grant or appropriation works out to 3·8. The comparatively large variation in recent years is mainly due the unprecedented abnormality of the times which thwarts any attempt to work out a correct forecast.

We observe that under the voted Grants there were considerable Savings under "12-Forest and Tramway" due to smaller number of lorries hired and short expenditure for their maintenance, Grant No. "20-Education" due to nonpayment of the full amounts of grants in the year itself, and Grant No. "39-Miscellaneous" due to the fact that the lump sum provision made to meet enhanced rate of dearness allowance was not fully required. The percentage of Savings under the Voted Section as a whole, compares favourably with the figure for the previous year.

We observe that under the non-voted appropriation, there was an excess of 1·8 per cent over the final grants as compared with the Saving of 0·76 per cent in the previous year. Large excess occurred under "29-Public Works" due to the execution of non-budgeted works and high tender rates, "30-Interest" due to temporary loan from the Central Bank of India under the Overdraft accommodation which far exceeded original anticipations and Grant No. "35-Railway" due to increased maintenance charges though it was partly compensated by increased earnings.

These excesses were partly offset by Savings under several other grants, notably grant No. 9-"Matches" due to non-adjustment of the Contribution to the Government of India as their claim did not come up in the year, Grant No. 28-"Military" due to the non-entertainment of the full strength of the State Forces, Grant No. 38-"Income-tax" as the amount

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actually refunded in the year did not come up to original anticipations and Grant No. 39 "Miscellaneous" due to Savings which mainly occurred under Miscellaneous Subscription and Donations.

The index of efficient control over expenditure is the margin of variation between the final grant or appropriation and the actual expenditure. We note that the percentage of Savings under voted grants has come down in the year under report though under the non-voted appropriations the percentage of variations has slightly exceeded that of the previous year. The General result is satisfactory as it shows improvement in the control over expenditure.

6. *Excess over voted and non-voted grants.*—The following Statement shows the various items of excess over voted and non-voted grants for the year 1120 (1944—1945) which require regularisation.—

Number and name of grant	Final grant		Expenditure		Excess	
	Non-voted	Voted	Non-voted	Voted	Non-voted	Voted
1. 10—Stamps..	..	47,993	..	51,193	..	4,200
2. 12—Forests and Tramway	14,392	..	15,338	..	946	..
3. 29—Public Works ..	3.18,193	..	5,56,265	..	38,072	..
4. 30—Interest..	5,12,798	..	5,93,886	.	81,088	..
5. 35—Railway..	25,05,000	..	35,19,088	..	10,14,088	..

The reasons for the excesses were explained to us. We recommend that excess expenditure in all these cases may be sanctioned.

7. *Unnecessary Supplementary grant—Grant No. 23—Medical 5. Tuberculosis operation—Supplies and Services* (paragraph 13 (1) on page 11 of the Audit report and page 69 of the Appropriation Accounts.—

The original appropriation under this head was Rs. 5,100, a supplementary appropriation of Rs. 5,700 was obtained bringing the final grant to Rs. 10,800. The actual expenditure amounted to Rs. 8,727, resulting in a Saving of Rs. 2,073. It was explained to us that the supplementary appropriation was obtained on the basis of requirement for about 8 months but due to the lapse of time before sanctioning the supplementary grant, the proposal for which it was sought for, *viz.*, improvement in the diet of the T.B. patients, was effected only in the latter half of the year.

We consider that additional grant should have been obtained only for the amount required; making allowance for the time that lapsed between the application for and moving the supplementary grant in the Council.

8. *Unnecessary Supplementary grant—Grant No. 36—Uplift of the Depressed Classes A—Supplies and Services*: (paragraph 13 (i) on page 11, of the Audit Report and page 90 of the Appropriation Account).

The original appropriation under this head was Rs. 12,300 a supplementary grant of Rs. 2,600 was obtained raising the final appropriation to Rs. 14,900. The actual expenditure amounted to Rs. 12,446 resulting in a saving of Rs. 2,454. It was explained to us that the savings occurred mainly because certain land acquisitions relating to Depressed Classes colonies provided for could not be completed before the close of the year.

We consider that the land acquisition proceedings ought to have been completed in the year itself and would suggest that the Heads of Departments may be ordered to the effect that in future proposals for acquisitions of land for which provision is made in the budget should

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be submitted sufficiently early to enable Government to pass orders before the end of Kanni every year.

9. *Irregularities—Grant No. 24—Ayurveda—Acceptance of tender at rates higher than market rates*: (paragraph 5, page 70 of the Appropriation Accounts).

It was disclosed during audit that tenders for the supply of certain dietary articles were accepted by the Superintendent of Ayurvedic Hospitals at rates far in excess of the current market rates. We are told that Government have ordered that the indents should be scrutinised by the Superintendent with greater circumspection. We consider that it would be advisable if tenders in respect of the Supply of dietary articles for the Hospitals under the Ayurvedic and Medical Departments are accepted only with sanction of the Government.

10. *Irregularities—Grant No. 9 Village Panchayats—Works expenditure, etc.* (paragraph 3 on page 114—Appendix D to the Audit Report and Appropriation Accounts).

Various irregularities such as disproportionate expenditure during the closing months of the year, the drawal of abstract bills to prevent lapse of the grant, omission to point out definite source of expenditure in the case of bills drawn and delay, in the furnishing of detailed bills in respect of amounts drawn on abstract bills are disclosed in the administration of the grant. It was explained to us that the rush of bills during the closing days of the year was due to factors beyond the control of the department concerned and that the other irregularties are to be attributed to casual omission due to pressure of work.

We note that most of these irregularities have occurred in the previous year also. We think that explanation is not satisfactory. The account rules and audit iustructions should have been adhered to and strictly enforced.

11. *Irregularities. Grant No. 2—Agriculture—loss on account of Hill Paddy Scheme* (paragraph 7 on page 27 of the Appropriation Accounts).

The Hill Paddy Cultivation scheme undertaken by Government proved a disastrous failure involving a loss of Rs. 6,95,562 as it was neither properly investigated nor efficiently executed. It was explained to us that proper investigation could not be made as it was considered necessary to push on the scheme with great expedition with a view to increasing the food resources of the State and that disciplinary action was not taken since no officer was found personally responsible for the loss.

We consider that the fact of the Hill Paddy Scheme leave a lesson to Government that without proper investigation and ensuring successful prosecution, such enterprises should not be launched upon. The non-official members of the Committee further hold that the explanation is not tenable and that steps ought to have been taken to locate the responsibility for the loss and for dealing with the officers found liable.

12. *Irregularity—Grant No. 20—Education—Misappropriation by the Head Master, M.S., Kunnathupadam* : (paragraph 3 ii on page 64 of the Appropriation Accounts).

Besides misappropriating a sum of Rs. 14—9—6, a false claim for Rs. 8 was preferred by the Head Master, M. S., Kunnathupadam. It was explained that the entire amount was made good and that he was suspended for four months.

We think that even if such delinquents are retained in service, they should not under, any circumstance, be put in responsible posts having the charge of cash and monetary transactions of any kind.

13. We would also point out in this connection that it would be well if the Heads of Departments are present at the meetings of the Public Accounts Committee when it takes up the respective grant for consideration. They are the officers at the spot and directly responsible for the administration of grants. It will be possible for them to elucidate matters to the Committee better than the Secretaries to Government in the department concerned. This is all the more desirable when the Secretaries to Government happen to be serving on the Committee.

14. *Matters brought to the notice of the Committee by the Finance Department :*

The Finance Department placed before us a note on the schemes of Expenditure to be classified as "New Services" along with the list of the items treated as new services under voted grants in 1121 and also notes on other matters for our advice. The notes of the Finance Department together with our remarks will be found in the Appendices C and D to the report.

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Chief Secretary to Government	..	(Chairman)
Secretary to Government (Finance Department)	..	(Secretary)
Secretary to Government (Development Department)	..	Member
Comptroller of Finance & Accounts	..	,,
P. K. Dewer	..	,,
P. K. Paul	..	,,
Ambat Eachara Menon	..	,,

APPENDIX A

We have considered the explanations submitted to us in the following cases and have accepted them. We consider that adequate action has been taken where action was necessary.

Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
1	2	3	4
	I. Unnecessary or Excessive Supplementary grants		
(1) Page 10 Paragraph 13 (1) and page 26	2—Agriculture A2. Contingencies	Savings of Rs. 532 on a final appropriation of Rs. 5,659	It could not be anticipated that there would be savings under the head at the end of the year as the original idea was to adhere strictly to the items sanctioned in the Budget. Expenditure not anticipated at the time of framing the budget cropped up during the course of the year and additional allotment referred to above had to be sanctioned. Final savings were effected mainly under "cattle breeding". During the latter part of the year a good number of cattle was sold away and the expenditure under "cattle food" could be reduced. It was the original idea of the Agricultural Department to station stud bulls in as many places as possible. But owing to high cost of maintenance charges of the bulls, people were reluctant to undertake the stationing of stud bulls even with the grant given by the Government. The department wanted to purchase more pedigree bulls, but due to import restrictions it was not possible to get sufficient number of bulls. All these factors contributed to make some savings in the final accounts which could not be anticipated. The original idea was to undertake tobacco cultivation in Chittur Taluk. Due to food crisis during the year 1120 Government ordered that preference should be given for the cultivation of food crops; and so the cultivation of the commercial crop, *viz.*, tobacco, was kept in abeyance, and the allotments under the head were transferred for other purposes, and so no surrender was proposed.

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Reference to Audit Report and Appropriation Accounts 1120	Heads of Account	Defect brought to notice	Explanation submitted to the Committee
1	2	3	4
(2) Page 10 paragraph 13 (1) and page 29	3—Village Panchayat A. Establishment	Savings of Rs. 2,698 on a final appropriation of Rs. 22,704	The additional allotment was necessitated on account of the proposal to entertain additional hands to the Head Office and the appointment of Panchayat Inspectors consequent on the separation of the Panchayat Department from the Public Health Department. Some of the officers joined duty much later than was originally anticipated. Further only minimum pay had to be paid to the officiating hands appointed in leave vacancies of permanent hands. The leave allowances provided for the Assistant Engineer, Panchayat Overseers and Panchayat Inspectors were not actually spent. The savings thus accrued in the course of the year could not be anticipated at the time of applying for additional allotment.
(3) Page 10 paragraph 13 (1) and page 42	12—Forest and Tramway —1 Forest Allowances	Savings of Rs. 14,735 on a final appropriation of Rs. 95,981	There was a supplementary grant of Rs. 13,600 under allowances while the actual savings under "B—Establishment" amounted to Rs. 14,735. The explanation is that consequent on the enhancement of Dearness allowance and T. A. additional grant had to be sanctioned. The general savings of Rs. 14,735 is the aggregate under several heads such as house rent allowance, hill allowance, dearness allowance, etc. Actual expenditure under these items cannot accurately be forecast, as payment is dependent on various factors such as appointment of substitutes in leave vacancies posting of subordinates in lower grades in the special tracts and appointment of extra staff under works-charged-establishment, etc. Hence savings could not be anticipated accurately.
(4) Page 10 para 13 (1) and page 42	12—Forest and Tramway —2 Tramway —Loco expenses	Savings of Rs. 17,053 on a final appropriation of Rs. 1,08,629	Engine tyres and boiler tubes indented for purchase during the year could not be procured in time on account of war conditions. Interruption in traffic also contributed to the shortage in fuel consumption necessitating lesser payments on that account. These facts account for the unexpected savings.
(5) Page 10 para 13 (1) and page 48	15—General Administration IV Legislative Council Allowance	Saving of Rs. 1,415 on a final appropriation of Rs. 13,763	In the 1120 Budget only an amount of Rs. 11,060 was provided at first under allowances. By the end of February 1945, an amount of Rs. 9,900 was already spent, In the ordinary course of things the balance amount of Rs. 1,100 would not have been sufficient for the remaining part of the year. Hence an additional allotment of Rs. 2,700 was got sanctioned.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
1	2	3	4
			It is not possible to pre-estimate the actual amount necessary under this head, since it depends upon the number of meetings to be held and the number of members in each Committee. Hence no actual amount necessary can be forecast. In this particular case, the amount sanctioned as additional allotment was in excess than the actual requirements for the reasons explained above.
(6) Page 11 page 13 (1) and page 56	19—Police Allowance	Savings of Rs. 19,820 on a final appropriation of Rs. 2,17,736	Full provision for the entire sanctioned strength of the Department for the last 5 months of the year were made in the revised budget. Savings were left unspent under allowance in the budget, for 1120 mainly under house rent allowance, local allowance, dearness allowance, war allowance and uniform allowance. Unlike other Departments, substitutes are not appointed in the Police Department against the vacancies of men going on leave so that the full sanctioned strength was not maintained all the year round. Also men on leave are not paid the allowances such as local allowances, reserve allowance, house allowance, etc. There is no date to calculate the savings that might arise out of the men going on leave, etc., and it is not possible to arrive at any further approximation in this matter. Hence it was that a portion of the provisions asked for under the heads for 1120 remained unspent. The Police Commissioner has however been advised to consider more carefully the actual requirement before proposing additional allotments and reappropriations in future.
(7) Page 11 Para 13 (1) and page 63	20—Education — Miscellaneous (*d*) other Contingencies	Savings of Rs. 1,58,543 on a final appropriation of Rs. 4,39,190	Additional grant had to be obtained as definite facts and figures were not available at the time of framing the Revised Estimate and as the demands and reports that were being received from the subordinate officers pointed towards a huge deficit under the head with reference to the original grant. But owing to the rigid control over the additional demands and diversion of existing provision for certain items for other more urgent work, considerable economy was made possible resulting in non-utilisation of about half the amount obtained by way of additional grant.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
1	2	3	4
(8) Page 11 para 13 (1) and page 72	29—Public Health A-sanitation and Conservancy— Supplies and Services	Savings of Rs. 29,923 on a final appropriation of Rs. 88,596	The main head "Supplies and Services" consists of 14 items. The savings pointed out relate to all the 14 items together. These provisions were earmarked for definite items of expenditure which were expected to be incurred in the course of the year, when additional allotments were applied for it was not possible to anticipate savings from these various items. Additional allotments amounting to Rs. 37,598 were sanctioned during the course of the year 1120, Rs. 16,000 under "Prevention of Epidemics" and Rs. 21,598 under "Anti-malarial operations". In the beginning of 1120, there was an out-break of plague in Trichur and of small-pox in many parts of the State. Preventive measures had to be taken immediately. It was not then possible to point out source for the expenditure from savings and the work in connection with the preventive measures could not in any way be postponed. Additional grant under "Prevention of epidemics" had therefore to be got sanctioned. As the epidemic continued, it was not possible to anticipate savings and surrender any portion of the allotment. Another item of additional allotment sanctioned during the year was under "Anti-malarial operations". As a preventive measure against the breeding of mosquito larvae it was decided to construct experimental sluices across the rivers and streams in the Nelliampathis. As this scheme was not provided for in the budget, additional grant became necessary. Since the sluices were not constructed as per approved specifications, the full stipulated amount was not paid to the contractor. A substantial portion of the savings in this item was due to this fact. Under "Rural Sanitation" savings accrued to the extent of Rs. 10,000. Since the works were in progress it was not possible to anticipate savings during the course of the year. Much of the savings was due to the fact that some items of works were not taken up or completed by the end of the year due to delay in completing acquisition proceedings in respect of the sites.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Accounts	Defect brought to notice	Explanation submitted to the Committee
(9) Page 11 paragraph 13 (1) and page84	32 Industries Reserved 1 Direction and Inspection Establishment	Savings of Rs. 2,110 on a final appropriation of Rs. 11,866	It is to be noted that almost all the permanent staff of the Office of the Director of Industries and Commerce were on deputation to other Temporary Establishments consequent on the working of the control orders. Their places in certain cases were not filled and in other cases were filled by new hands who had to draw only the minimum of their grade of pay. But provisions for all the permanent staff at the maximum which they were drawing was provided in the budget in the expectation that they may return at any time. Thus there was excess provision which could not be avoided. Again during the course of the year, very many temporary posts were created for the working of the paper control orders and supplementary grants were automatically sanctioned along with the sanctioning of the posts. But in certain cases the posts could be filled up only very late and hence the additional allotments sanctioned became excessive.
	II Reappropriations obtained unnecessarily or in excess of requirements		
(10) Page 11 paragraph 13 (2) and page63	20—Education (2)—Collegiate Education—Contingencies	Savings of Rs. 8,033 on a final appropriation of Rs. 27,308	Savings accrued mainly under the Technological Institute. Failure to get the necessary materials and machinery for equipping the section brought about the saving. This could not be anticipated.
(11) Page 11 paragraph 13 (2) and page63	20—Education (3) Secondary Education—Boys-Supplies and Services	Savings of Rs. 27,910 on a final appropriation of Rs. 1,32,782	The Savings are mainly under grants-in-aid. The estimate was on the basis of probable needs, should all the claims come up for payment but as is usual with some of the schools which do not suffer for want of money, claims, were not referred in time and lapse occurred. So long some of the schools which had applied for special grants could not complete the various processes prescribed for payment and hence lapse occurred.
(12) Page 11 paragraph 13 (2) and page73	20—Education 4-Secondary Education —Girls— Supplies and Services	Savings of Rs. 9,815 on a final appropriation of Rs. 76,434	The savings are mainly under grants-in-aid. The estimate was on the basis of probable needs, should all the claims come up for payment but as is usual with some of the schools which do not suffer for want of money, claims, were not referred in time and lapse occurred. So also some of the schools which had applied for special grants could not complete the various processes prescribed for payment and hence lapse occurred.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
(13) Page 11 paragraph 13 (2) and page63	20—Education 5—Primary Education—Boys—Supplies and Services	Savings of Rs. 87,052 on a final appropriation of Rs. 7,47,867	The position under "Primary—"Boys" and "Girls", was rendered worse by the failure of the Inspector of Schools, Central Division and the Inspector of Schools, Suthern Division to pass a large number of grant-bills owing to the lack of efficient and experienced hands in their offices capable of handling grant-bills and to some extend due to the dislocation of work which arose due to the redistribution of schools consequent on the creation of the Office of the Inspector of Schools, Central Division.
(14) Page 11 paragraph 13 (2) and page63	20—Education 6—Primary Education Girls—Supplies and Services	Savings of Rs. 15,034 on a final appropriation of Rs. 1,61,108	In the peculiar circumstances leading to the unsatisfactory situation there was no possibility of assessing the responsibility of any particular officer, but the Inspectors concerned were duly apprised by the department of the harm the lethargy of their offices was doing to the Department and the public indirectly. However, things have been set right later when the two Divisions were able to adjust themselves to the new arrangements.
(15) Page 11 paragraph 13 (2) and page87	33—Industries Transferred—D Government Industrial Schools Establishment	Savings of Rs. 5,228 on a final appropriation of Rs. 27,872	The reappropriation was done at the beginning of the year. Co nsequent on the abolition of the G. T. School, Ernakulam all the staff of that School were posted in various Industrial Schools and all the provisions made for their pay, etc., were automatically transferred to G. I. School Establishments from which their pay had to be drawn afterwards. It could thus be seen that the re-appropriation was not unnecessary though there were savings at the end due to the fact that certain teachers were on deputation to other office and that the posts were not filled up.
(16) Page 11 paragraph 13 (2) and page87	33—Industries Transferred F. Other Charges	Savings of Rs. 4,971 on a final appropriation of Rs. 30,112	The provision for meeting the charges in connection with the starting of the Government Commercial Institute at Ernakulam was amalgamated with this head. Though necessary provisions were obtained by reappropriation, due to technical and other reasons the Institute actually began to function only very late in the year and even then the full staff sanctioned to the Institute was not entertained. Hence the full provision made at the beginning became unnecessary. This was unavoidable.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Accounts	Defect brought to notice	Explanation submitted to the Committee
1	2	3	4
(17) Page 11 paragraph 13 (2) and page 56	19—Police Allowance	Savings of Rs. 19,820 on a final appropriation of Rs. 2,17,736	Full provision for the entire sanctioned strength of the Department for the last 5 months of the year were made in the revised budget. Savings were left unspent under allowances in the budget, for 1120 mainly under house rent allowance, local allowance, dearness allowance, war allowance and uniform allowance. Unlike other Departments, substitutes are not appointed in the Police Department against the vacancies of men going on leave so that the full sanctioned strength was not maintained all the year round. Also men on leave are not paid the allowances such as local allowance, reserve allowance, house allowance, etc. There is no date to calculate the savings that might arise out of the men going on leave, etc., and it is not possible to arrive at any further approximation in this matter. Hence it was that a portion of the provisions asked for under the heads for 1120 remained unspent. The Police Commissioner has, however, been advised to consider more carefully the actual requirement before proposing additional allotments and reappropriations in future.
III. Injudicious Reappropriations and Surrenders causing Excess over allotments			
(18) Page 11 3 paragraph 13 (3) and page 80	29—Public Works A Civil Engineering 4 Irrigation	Excess expenditure of Rs. 1,14,608 over a final appropriation of Rs. 5,34,249	Certain non-budgetted works were ordered by Government to be taken up for execution in the course of the year. Hence reapprapriation had to be resorted to. Diversion of funds was deemed necessary for meeting expenditure on account of these new works and deviations from the estimated works. The Chief Engineer will be instructed to see that such injudicious re-appropriations and surrenders are avoided in future.
IV. Non-surrender of savings			
(19) Page 12 paragraph 13 (4) and page 27	2—Agriculture—D. Hill Paddy Cultivation measure	Savings of Rs. 6,263 on a final appropriation of Rs. 15,768	The Hill Paddy Scheme was wounded up earlier than expected. The main produce to be sold was only tapioca. A part of it was disposed of by auction which resulted in a net saving in the expenditure sanctioned. There was no necessity, therefore, to retain the staff or to incur other items of expenditure. This was the reason for the savings. It could not be anticipated how much savings there would have been and hence the savings could not be surrendered.

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Reference to Audit report and Appropriation Accounts 1123	Head of Account	Defect brought to notice	Explanation submitted to the Committee
(20) Page 12 paragraph 13 (4) and page 36	9—Matches, Vegetable Products, etc., C. Betel-nuts	Savings of Rs. 3,416 on a final appropriation of Rs. 30,730	The savings of Rs. 3,416 under "9-C. Betel-nuts" consist mostly of unexpended balances in the allotment sanctioned for establishment and printing charges. The establishment under "Betelnuts etc.", came into existance only in the course of the year 1120. Several arrear claims which were pending satisfaction were expected to be received towards the year end and it was not therefore possible to definitely fix the probable savings under "establishment" before the claims were actually received and passed. Under printing charges the allotment applied for was only a rough forecast and there was no definite information there, as to what all forms and registers will have to be got printed and supplied, Further the bill from the Government was received in the Excise Commissioner's Office only towards the close of the year. These account, for not surrendering the savings under the head in time.
(21) Page 12 paragraph 13 (4) and page 42	12—Forests and Tramway 2 Tramway B. Revenue 1 C. Repairs to bridges	Savings of Rs. 17,923 on a final appropriation of Rs. 26,083	The non-surrender of savings amounting to Rs. 17,923 under repairs to bridges in the Tramway was due to the fact that building materials indented for bridge works, which were expected to reach at any moment could not be produced in time. This was quite an unexpected contingency and the provision could not be surrendered before the year was out.
(22) Page 12 paragraph 13 (4) and page 54	18—Jails 1 Central Jail Supplies and Services	Savings of Rs. 14,924 on a final appropriation of Rs. 67,000	The Inspector-General of Prisons will be asked to see that timely surrenders are effected as and when savings are expected in the year's expenditure.
(23) Page 12 paragraph 13 (4) and page 87	33 Industries Transferred F. Other charges	Savings of Rs. 4,971 on a final appropriatin of Rs. 30,112	
(24) Page 12 paragraph 13 (4) and page 87	33 Industries Transferred G. Mattancheri Coir Depot	Savings of Rs. 1,498 on a final appropriation of Rs. 4,950	The savings were not surrended due to oversight such omissions will be guarded against in future.
(25) Page 12 paragraph 13 (4) and page 87	33 Industries Transferred I. Development of Cottage Industries	Savings of Rs. 3,115 on a final appropriation of Rs. 13,615	

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
(26) page 12 paragraph 13 (4) and page 90	36. Uplift of the Depressed Classes B. Education Supplies and Services	Savings of Rs. 8,129 on a final appropriation of Rs. 69,575.	The savings are mainly under supply of school requisites, cloths and Depressed Classes Hostels. It is not possible to arrive at the cost of books and stationery articles even tentatively before final accounts are received from contractors. Payments are made on more than 800 indents involving hundreds of items and checking of all these items require much time. The head of schools in many cases return the excess articles the rest of which has to be deducted from the contractor's claims. Further the Contractor's bills would be received only by the close of the year and the savings could be ascertained only after final check. In respect of the supply of clothes also there was some difficulty. The number of students varies every year and hence no correct information, regarding the exact requirements can be had before-hand. This can be known only after the supply is completed and the accounts are closed. Further on account of the purchase of cheaper variety of cloth from the Textile Department there was also some savings. On the expectation that there will be a rush of students for admission into the Harijan Hostels and S. N. V. Sadanam, maximum provision was retained. But admissions were less than what was anticipated. Casual absence of boarders also contributed to the savings. The above are the main reason for the savings. Under the circumstances detailed above the savings could not be surrendered.
	V. Unremedied or Uncovered Excesses		
(27) Page 12 paragraph 13 (5) and page 37	10—Stamps Contingencies	Excess expenditure of Rs. 3,865 over a final appropriation of Rs. 7,443	"The ommission to regularise the excess expenditure was due to oversight. The Superintendent of Stamps has been instructed that excess expenditures, if any, should be regularised invariably before the accounts of the year are closed".
(28) Page 12 paragraph 13 5) and page 42	12—Forests Tramway B1—Contingencies	Excess expenditure of Rs. 3,904 over a final appropriation of Rs. 8,886	There was an excess expenditure of Rs. 3,904 under "Forest—Contingencies". The main item of increase under detailed heads being uniforms furniture and printing charges, etc. The prohibitive cost of clothing, purchase of furniture to accommodate the additional staff and also the unexpected increase in printing charges account for the excess.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
			The department concerned has been instructed to see that such irregularities are not committed in future
(29) Page 12 paragraph 13 (5) and page 53	17—Law and Justice C. Criminal Justice—"Allowances"	Excess expenditure of Rs. 2,725 over a final appropriation of Rs. 23,472	The reconciliation of the accounts of the year 1120 was over towards the end of Makaram 1121. As the accounts of the Comptroller's Office were closed at that time, the expenditure was regularised after taking Government sanction on 1st April 1946. The District Magistrate will be instructed to guard against such delays in regularising the excess expenditure in future.
(30) Page 12 paragraph 13 (5) and page 68	23—Medical Proper Allowances	Excess expenditure of Rs. 16,642 over a final appropriation of Rs. 1,13,068	The irregularity is due to some delay in the reconciliation of accounts. Government have already noticed this delay on the part of the Medical Depertment and have ordered that the wrong procedure should not be repeated.
(31) Page 12 paragraph 13 (5) and page 80	29—Public Works A. Cival Engineering—Irrigation	Excess Expenditure of Rs. 1,14,608 over a final appropriation of Rs. 5,34.249	The Chief Engineer has been asked to see that such irregularities are not committed in future.
(32) Page 12 paragraph 13 (5) and page 80	29—Public Works 5—Miscellaneous Public Improvements	Excess expenditure of Rs. 10,249 over a final appropriation of Rs. 66,915	The Chief Engineer has been asked to see that such irregularities are not committed in future.
(33) Page 12 paragraph 13 (5) and page 81	29—Public Works B—Mechanical & Electrical 1—Allowances	Excess expenditure of Rs. 4,783 over a final appropriation of Rs. 25,146	The Chief Engineer has been asked to see that such irregularities are not commited in future.
(34) Page 12 paragraph 13 (5) and page 81	29—Public Works 2 Works—1 Electricity	Excess Expenditure of Rs. 1,588 over a final appropriation of Rs. 6,084	The Chief Engineer has been asked to see that such irregularities are not committed in future.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
(35) Page 12 paragraph 13 (5) and page 97	39—Miscellaneous —Food Supplies—Works expenditure, etc.	Excess expenditure of Rs. 1,413 over a final appropriation of Rs. 5,907	Such expenditure will in future be regularised before the accounts of the year concerned are finally closed.
	Other Items—Financial Irregularities, etc.		
(36) Page 22 Paragraph 2 (*i*)	Grant I Land Revenue	Loss on account of illicit removal of timber in Pongarapilli Village in Talappalli Taluk	The contractor who purchased the wind-fallen trees from Survey No. 486 of Pongarapilli Village, Talappalli Taluk in the year 1118 managed to remove much in excess of the quantity sold to him with the connivance of the Revenue subordinates—Village Officers, Revenue Inspectors and clerks of Taluk Office. The fraud came to the notice of the Government in 1119 and was disposed of in the year 1120. The timber and fuel sold to the contractor was only for Rs. 316 while the cost of the quantity removed by him in excess was estimated at Rs. 1,761—2—4. 2. Two clerks of the Taluk Office and Parvathiam concerned were dismissed from service for their established guilt in this affair. Subsequently they have been allowed compassionate allowance. The pension of Revenue Inspector was reduced from Rs. 29—12—0 to Rs. 25. The Tahsildar was kept under suspension for a period of over 4 months and the service had put in 150—250 grade till then was not allowed for purposes of increment. 3. However, the contractor has paid the cost of the excess quantity removed together with a penalty of Rs. 25.
(37) Page 22 Paragraph 2 (*ii*)	Grant No. I Land Revenue	Loss on account of illicit felling of timeber in Mulayam Village in Trichur Taluk	In the year 1118 the Diwan Peishkar received an anonymous petition alleging that trees from Survey No. 88 of Mulayam Village in Trichur Taluk were illicitly cut and removed with the connivance of the Village officers. The Revenue Inspector involved in the case was retired since. Pending disposal of the case his pension and P. F. were withheld till recently. 2. Enquiry proved that there was some illicit removal of trees. But the responsibility for the loss could not be located. The pension and P. F. have been disbursed to the Revenue Inspector. The loss to Government on this account has been ordered to be written off. It has not been correctly assessed.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to the Committee
(38) Page 27 paragraph 7	Grant No. 2 Agriculture	Loss of Rs. 411-15.9 due to want of proper supervision and check on the part of an Inspector in regard to the disposal of avenue trees	Loss of Government Money—Mr. P. K. Kurian, retired Agriculture Inspector, was responsible for the irregularity. He was compulsorily retired from service. The full amount of Rs. 411—15—9 which was noted as loss, was recrovered from him and the accounts closed.
(39) Page 29 paragraph 4	Grant No. 4 —Village Panchayats	Mishandling of stores—Cement	The special audit has not revealed irregularities involving loss to Government; they mainly relate to the procedure adopted in the accounting of purchase, issues, expenditure, and adjustment, etc. Orders have since been passed on the audit report. The amounts objected to were already recovered and refunded. Departmental action on items, is being taken to satisfy the audit objections in respect of other minor items.
(40) Page 114 paragraph 4	Grant No. 12 — Forest and Tramway	Financial irregularities such as delay in satisfying audit objection and omissions to attach completion reports to the last bill of the completion reports	From the remarks of the Comptroller of Finance and Accounts above it is evident that there have been no serious irregularities in the Forest Department during the period under report. Every attempt is being made to satisfy audit objections and as a result pendency has been considerably minimised. The Departmental head has further promised to see that such omissions to attach completion reports to the final bills are not repeated in future.
(41) Page 43 paragraph 3	Grant No. 13 — Registration	Loss on account of misappropriation of Hundi amounts (Rs. 205—11—0) by forgery	*Financial irregularities*:—There was three cases of forgery in the year under report. All related to misappropriation of Hundi amounts by forging the signatures of the payees by the Anchalmen who were entrusted with the Hundies. The total mount so misappropriated amounted to Rs. 205—11—0. In two of the cases the Anchalmen concerned were convicted and sentenced to rigorous imprisonment, the 1st for 5 years and the other for 1 year with a fine of Rs. 20. The third instance is pending trial. The amounts as per two of the cases are pending recovery from the court for which there is action by the Departmental officer.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Accounts	Defect brought to notice	Explanation submitted to the Committee
(42) Page 44 paragraph 2	Grant No. 14—Anchal	Loss of Rs. 8,200 sent from Trippunittura Registry Office to the Treasury at Ernakulam	The loss of Rs. 8,200 from the Depot collections sent from the Trippunittura Registry office to the Treasury at Ernakulam was investigated by the Police and it has been reported to be un detectable. Steps are being taken to recoup a much of the Government loss as possible from the remittance clerk on whom the responsibility for the loss of the amount has been fixed. There is nothing more to be added to the remarks of the Comptroller of Finance and Accounts in the matter. The Head of Department cencerned will be instructed to take all precautionery steps to prevent the recurrence of irregularities in future.
(43) Page 63 Paragraph 3(1)	Grant No. 20 Education	Loss of Rs. 54—5—0 due to misappropriation by the Headmaster, M.G.S., Thiruvilwamala	In view of the action taken by the Director of Public Instruction in the matter no further action is called for.
(44) Page 64 paragraph 3 (*iii*)	Grant No. 20 Education	Loss on account of marking absent stipendiaries as present by the Dance Instructor, R. L. V. F. A. S., Tripunittura	As the Dance Instructor was dismissed from service, no further action is called for.
45) Page 92	Grant No. 38 Income-tax	Loss on account of the write off of irrecoverable Income-tax demands	Most of the cases of write-off were those relating to non-residents or residents who left the State without paying the tax. There is no provision in the Income-tax Act to take coercive steps against them. They can be proceeded against only if they have assets in the State. The Income Tax Department has made all possible attempts to recover the dues by amicable means. Only when these attempts failed and it was found that further attempts would be of no avail, the writes off were sanctioned.
(46) Page 98 paragraph 2	Grant No. 39 Miscellaneous Food Supplies Department	Loss on acccount of write off	Out of the total amount of Rs. 93,562—13—0 involved in the write off the reasons for the write off of stock amounting to Rs. 76,121—11—5 (Rs. 67,398—7—5 plus 8,723—4—0) has already been explained in the remarks of the Comptroller of Finance and Accounts. The

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Reference to Audit Report and Appropriation Accounts 1123	Head of Aocounts	Defect brought to notice	Explanation submitted to the Committee
			balance amount *viz.*, Rs. 17,441—1—7 represents the loss on account of the shortages in transit, deterioration of stock, shortages on account of cleaning the old and damaged stock, etc. These losses cannot be attributed to be due to any laxity on the part of the Departmental Officers. The reasons for shortage in each case have been carefully examined before the write off was sanctioned. Under the circumstances stated above nobody can be held responsible for these shortages.
(47) Page 114 paragraph 1	Grant No. 29 Public Works	Delay in the submission of accounts and vouchers and in satisfying audit objections	Rush of bills in Karkadagam was unavoidable due to the following reasons (1) Many urgent works not provided in the budget had to be taken up in the year after preparing estimates and designs. (2) Allotments for such urgent works were possible to be made only after the revised budget was got prepared (3) Works of Military importance had to be taken up and completed within limited periods (4) Due to high cost and non-availability of labour and materials, the progress of works was delayed. (5) There was lack of sufficient experienced officers for the supervision of work, etc. Works of Military importance had to be taken up and completed even before the preparation of proper and complete plans and estimates as there was no time to lose. However, the Chief Engineer has been instructed to follow closely in future, the instructions contained in the Appendix D
48 Page 114 paragraph 5	Grant No. 39 Miscellaneous, Food Supplies	Financial irregularities such as irregular drawals before obtaining sanction, inordinate delay in drawing T. A. and presentation of bills for	In the very nature of the working of the Food Supplies Department, it has to meet very emergent situations and hence the expenditure could not often be anticipated in every case. Such expenditure, being inevitable, had to be met before obtaining formal sanction of Government In each such instance the Director of Food Supplies has obtained formal sanction explaining in detail the circumstances under which the expenditure had to be met. The procedure though technically irregular has to be resorted to sometimes in the best interest of the Department.

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Reference to Audit Report and Appropriation Accounts 1120	Head of Account	Defect brought to notice	Explanation submitted to Committee
		encashment without proper enclosures Rent Certificates, Last pay Certificates, Absentee Statement, etc.	With regard to the delay in preferring claims of T..A., these delays were often in respect of claimes of the various subordinates working in different posts of the State and outside. Naturally it took sometime for their scrutiny and countercheck. It would not have been proper or practicable to prefer these claims individually and in practice also it was found very difficult to gather the necessary and correct particulars from all the Sub-Offices concerned to prepare consolidated claims. These facts have been explained in the respective bills themselves at the time of their presenation in the Treasury, in conformity with account rules. Omissions to furnish proper enclosures like Rent Certificates, Last Pay Certificates, Absentee Statements, etc., were due to the ignorance and inexperience of the subordinate staff who were mainly raw hands with no knowledge of official procedure and rules. These omissions were supplied as and when they were pointed out by the Audit Department. The director of Food supplies has further pormised that as his staff is gaining in experience, the omissions and irregularities of the nature now pointed out will be avoided in future.

APPENDIX B

Memorandum showing the action taken by the Government on the Audit Report and Appropriation Accounts for 1119

FINANCE DEPARTMENT

It was from the year 1115 onward that an annual Audit Report and Appropriation Accounts began to be prepared by the Comptroller of Finance and Accounts. The intention was that the Audit Report and Appropriation Accounts shall be placed before the Legislature after scrutiny by a Public Accounts Committee. However, for the first time, a Public Accounts Committee could be constituted only in the current year. In the absence of a public Accounts Committee, Government used to review the Audit Report and Appropriation Accounts and take appropriate action regarding the financial irregularities disclosed. This procedure has been followed in respect of Audit Reports and Appropriation Accounts up to the year 1120.

The financial irregularities revealed by the Audit Report and Appropriation Accounts for the year 1119 related to the following Departments.—

1. Panchayat
2. Forest and Tramway
3. Public Works
4. Food Supplies

Panchayat Department.—The irregularities consisted of (*i*) disproportionate expenditure during the closing months of the year, (*ii*) the drawal of amounts on abstract bills to prevent lapse of the grant, (*iii*) delay in furnishing the detailed bills in respect of amounts drawn on abstract bills and (*iv*) the failure to maintain proper accounts in regard to the departmental

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supply of cement in 1118 and 1119. Explanations were obtained from the Director of Panchayats for these irregularities. It was promised by him that particular care will be taken to minimise the rush of bills and disproportionate expenditure towards the close of the year and that all other irregularities will be guarded against in future. A special audit was conducted with regard to the account of cement supply and all the irregularities noticed were ordered to be set right.

Forest and Tramway Department.—As regards this Department the irregularities disclosed were (*i*) failure to take proper receipts from the payees, (*ii*) payment on bills wanting in signature of the drawing officer or the controlling officer, (*iii*) delay in the transmission of accounts and vouchers and (*iv*) failure to send up completion reports along with the final bills. In his explanation, the Conservator stated that compared to the all round increase in the transactions of the Department, these irregularities were negligible and that in future every effort will be made to avoid them. After considering the explanation, orders were issued to the effect that rules should be strictly adhered to in the drawals and accounting, and that there should be no delay in the transmission of accounts in time.

Public Works Department.—Against this Department, the main irregularities were (*i*) delay in the rendering of accounts and satisfaction of audit objections, (*ii*) incurring of expenditure without estimate and allotment and (*iii*) lack of adequate checking which led to payments without proper receipts and failure to effect recoveries form the contractors. Detailed explanation were obtained from the Chief Engineer for the irregularities. After considering the explanation orders were issued enjoining strict adherence to rules. Instructions were also given for future guidance in guarding against the recurrence of such irregularities.

Food Supplies Department.—Drawals to prevent the lapse of grant, incurring of expenditure in anticipation of sanction, wrong debits of expenditure, and delay in the rendering of account were the main irregularities in respect of the Food Supplies Department. The Director of Food Supplies was ordered to avoid such irregularities in future.

K. S. RAGHAVAN
Secretary to Government
Finance Department
16th April 1947

Recommendation of the Committee

We have perused the Memorandum and approve the action taken on the Report on the Accounts of 1119.

APPENDIX C

Note for the Public Accounts Committee

FINANCE DEPARTMENT

The object of control over expenditure is to secure as close approximation as possible between the actual expenditure and final grants under each sub-head of appropreation. The degree of closeness with which the appropriations of the year approximated to the actual expenditure, as finally recorded, therefore constitutes an index of the measure of efficiency or control over expenditure. In Madras, the Public Accounds Committee has laid down that under normal conditions three per cent of the final grants will be the reasonable limit of variation between final grants and actual expenditure. To facilitate concentration on matters of major importance, that Committee has also laid down that reference in the Audit Report to instances of defective control over expenditure should be restricted to cases involving amount exceeding Rs. 10,000 or 10 per cent of the final appropriation, which ever is greater. It is considered that the percentages of variation allowed by the Madras Public Account Committee should be followed here also, but having regard to the comparative volume of public expenditure, the amount of variation may be fixed at Rs. 1,000 against Rs. 10,000 in Madras. Subject to the approval of the Public Accounts Committee, the margin of variation as noted above, has been accepted tentatively in the preparation of the Audit Report and Appropriation Accounts for 1120. For easy reference a classified abstract of all items exceeding the limit of variation is given in

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pages 10-13 [paragraphs 13 (1)—13 (5)] of the Report, the number of pages where detailed remarks are offered being noted against each item.

K. S. RAGHAVAN
Secretary to Government
Finance, etc., Departments

APPENDIX D

NOTE ON NEW SERVICES

The rules of the Legislative Council relating to the functions and working of the Public Accounts Committee provide, *inter alia*, as follows.—

*** *** ***

70. Government shall place annually before the Public Accounts Committee a list of supplementary grants obtained by Government during the previous year for schemes of new expenditure treated as "New Services" and of cases of New Services under Note to Article 145-B (4) C. A. C. with a request for the opinion of the Committee as to whether they were "New Services" or not.

In this connection it may be appropriate to extract below the Note to Article 145-B (4) C. A. C.

"*New service.*—The primary test of newness of the service is whether or not the Legislature has voted expenditure for a similar nature in the past years. Doubtful cases should be referred to the Finance Department for orders.

In the Public Works, Panchayats, Public Health, etc., Departments where grant is voted on the basis of details of works furnished in the programme appended to the printed budget, it will not be permissible to divert funds so voted to a new item of work which has not been previously voted. When expenditure is to be incurred on a work not voted in the Council, approval of the Council should be taken either by a token motion when expenditure is met from savings or necessary further grant secured for the work. The Government can, however, authorise any work to be done out of the lump provision specifically set apart in the budget for urgent works

2. The term "New Service" has not thus been given a statutory definition and the rule in the Account Code just indicates the general characteristic of an item to be classed under the above category. Public expenditure is so varied that an accurate or exhaustive definition cannot in the nature of things be given. It is proposed, therefore, to obtain hereafter the decision of the Public Accounts Committee on the various items of supplementary grants obtained every year with a view to evolving a body of case-law on the interpretation of the term "New Service." When the list of schemes of new expenditure treated as new services are placed annaually before the Committee the opportunity is taken to obtain the Committee's advice also in respect of doubtful cases occurring in the preceding year which the Government after consideration decided not to treat as new service.

3. As a working basis certain principles have to be formulated, approved and laid down in the matter of securing funds for the new services and for classifying items of new expenditure as new service.

(1) *Monetary limits.*—Now expenditure on all new services requires the sanction of the Diwan in the Finance Department; if additional grant is required the sanction of the Council as well as His Highness is required. In respect of new services of the transferred Departments sanction now taken is that of the Minister in charge and of the Diwan in the Finance Department. It has to be considered whether in such cases sanction is to be taken in full circulation of the case to all Ministers. Perhaps a limit may be fixed beyond which alone sanction in full circulation need be taken. The limit may be Rs. 1,000. It may be considered whether items of expenditure of new services above this limit alone need be listed for the Public Accounts Committee. In Madras this limit is fixed as Rs. 25,000 recurring and Rs. 1,00,000 non-recurring.

(2) *Employment of additional staff.*—In Madras proposal for the employment of additional staff for an existing office or department on account of normal increase in work or on account of the temporary needs costing more than Rs. 20,000 in the year should be brought

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forward as a Part II scheme for the next year's budget or treated as a new service if it was to be sanctioned immediately. Here this limit may be Rs. 500, Additional staff and general revisions of pay scales in a department, the cost of which exceeds Rs. 500 may thus be treated as a new service here.

(3) *Original works.*—According to the rule in Cochin Account Code quoted above any work of a department which used to get grants voted on furnishing details of work, should be treated as a new work, if it had not been got included in the budget. The only exceptions are the works executed out of lump provision for urgent works. Here also a limit say Rs. 1,000 may be fixed, all orginal works not in the nature of repairs or improvements to an existing structure estimated to cost above this limit being treated as new items of works. In the case of the Panchayat and Public Health works this limit need, however, be Rs. 500 only.

(4) *Grants to institutions, Co-operative Societies, Local bodies, etc.*—Grants will become payable in the course of the year in cases of the following kind.—

(*i*) *Educational purposes.*—Aiding of schools, new divisions of existing schools, etc.

(*ii*) *Medical and Public Helth purposes.*—Grants to Municipalities for combating epidemics, etc.

(*iii*) *Agriculture and Veterinary, Co-operative, etc., purposes.*—Under this category falls payment of subsidy to cultivators, maintenance of stud bulls, grants to Co-operative Societies etc. The legislature would have accepted in certain cases the principle of payment of grant, without any discrimination and as a general measure. In such cases the additional expenditure required for the fulfilment of the object approved by the legislature need not be treated as a new service. But grants to individual co-operative societies not contemplated in the original budget discriminating one class or one area of ryots or Agriculturists to special benefits, etc., should be treated as a new service. As an element of gratuitious contribution is involved here the monetary limit may be fixed as Rs. 500 beyond which alone the item need be treated as a new one

(*iv*) *Expenditure on establishments for specific new objects, committees, etc.*—Some of the items falling under the category are.—

(*a*) Establishment of specific new objects.

(*b*) Special establishments.

(*c*) Committees.

(*d*) Opening of new institutions or new courses in existing institutions.

(*e*) New experiments.

(*f*) New demonstrations.

(*g*) *Purchase of additional machinery.*—Expenditure on the above items might be treated as on a new service only if it exceeds Rs. 500 recurring or Rs. 1,000 non-recurring.

4. From the general tenor of the principles underlying the above various items of expenditure it may be noted that expenditure of the following category will not constitute as one on new service.

(*i*) Additional expenditure due to the continued employment after the expiry of the period orignally fixed of a special staff which has been appointed for a specific piece of work and for which the Legislature has voted funds for a specific period. If the staff did not finish the work by the date originally fixed, the expenditure after that date need not be treated as a new service.

(*ii*) Replacement of and all repairs to an assent, rendered necessary on account of the action of nature such as cyclone, flood, etc., or by reason of wear and tear such as urgent speciaf repairs to roads which cannot wait, etc.

(*iii*) Payments requiring to be incurred by Government on account of the action of law or under any of the provisions of law, compensation to individuals for lands, etc., decreed by court, plague or other epidemic relief measures such as expenditure on inculation, vaccination, etc., necessarily to be done under the provisions of law and the like.

5. The above purports to give an outline of the guiding principles that may be adopted, with due regard to the fulfilment of the legislature's intention of voting grants in the matter of

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picking out new services. The advice of the Public Accounts Committee is sought as to whether the above may note be accepted as a basis to start with every fresh item can be reviewed by the Committee year after year and necessary amplifications or modifications made to suit the day to day standards of Public expenditure.

Recommendations of the Committee

We approve the suggestions in the note subject to the modification that the margin of variation between final grants and actual expenditure should be only 2 per cent as against 3 per cent proposed therein.

Recommendations of the Committee

We have carefully considered the points raised in the note. To start with, the principles enunciated therein may be followed subject to the Modifications, mentioned below.—

1. *Paragraph 3 (1) of the Note.*—Items of "New Services" involving a recurring expenditure of Rs. 2,500 or a non-recurring expenditure of Rs. 10,000 alone need be listed up for being placed before the Public Accounts Committee.

2. *Paragraph (1) of the Note.*—All case of extension of the term of staff appointed for a specific piece of work and for a specific period should be reckoned as items of New Service and placed before the Accounts Committee.

List of New Services—1121—under voted grants

Sl. No.	Department	Description of service	Amount involved Rs.	Remarks
1	Land Revenue Department	New staff for the re-demarcation of lands adjacent to Railway precincts	2,300	
2	Do.	Advertisement charges in the matter of compensation to be given to dependants of deceased Cochin State Labour units	1,500	
3	Do.	do. do.	1,900	
4	Fishery Department	Fish farming by using chemical fertilisers as an experimental measure	1,223	
5	Do.	Cost of two motor fishing vessels purchased from the R. I. N. for deep sea fishing	40,000	
6	Cattle Pound	Cost of reconstructing Edakolathur Pound	750	
7	Agriculture Department	Expenditure connected with grow more vegetable compaign, free distribution of manure subsidy to cultivators, etc.	41,850	
8	Do.	Opening of a Cocoanut Nursary Farm for the production and distribution of cocoanut seedlings of good quality	7,700	
9	Do.	Vocational training of the Defence Services personnel in the Horticultural school	2,165	
10	Veterinary Department	Cost of Refrigerator for preservation of vaccine and serium	2,750	
11	Co-operative Department	Grant for the development to Co-operative Marketing of Copra—Organisation of Society at Narakkal	2,025	
12	Excise Department	Duty on salt jettisoned in the course of transport from Bombay to be paid	15,078	

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Sl. No.	Description	Description of service	Account involved Rs.	Remarks
13	Matches, etc.	Cost of establishment for collection of cocoanut cess	4,000	
14	Forest and Tramway Department	Collection charges on the stock of timber paid for by the Government of India but required to be refunded to them as the stock is to be taken back by the Government	1,00,000	
15	Do.	Construction of a semi permanent shed in the office of the Conservator of Forests	5,000	
16	Do.	Construction of two wooden bridges along the Kallampra Thanikudam road	22,000	
17	Forest and Tramway Department	For investigating the possibility of a realignment of the Tramway line to avoid maning of the zig zag paths	5,000	
18	Anchal Department	Temporary establishment in connection with the Anchal Savings Scheme	2,222	
19	Anchal Department	Travancore Government's share of the profit in the working of the Labour Hundi system	3,000	
20	General Administration Committees	Expenses in connection with the constitution of the Post War Reconstruction Committee and other Subject Committees	3,300	
21	Finance and Accounts	Establishment, D. A.O., T. A., etc., charges consequent on the entertainment of the temporary staff in connection with the Anchal Savings scheme	7,861	
22	Education Department	Charges on account of students advisory bureau	2,250	
23	Do.	Towards grant of special scholarships for candidates in English College, Trivandrum; Research Institute, Trivandrum, University, Muslim University Aligarh, Physical training at Y. M. C. A. College at Madras etc.,	1,946	
24	Do.	Revision of pay of Primary teachers	1,80,200	
25	Do.	Starting of an institute of Technology as a Post War scheme	14,162	
26	Medical Department	Cost of additional temporary staff	4,422	
27	Ayurveda Department	Training of Nurses for Ayurvedic Hospitals	2,284	
28	Do.	Compensation to be paid to the K. A. Samajam Hospital authorities being cost of building taken over by the Government	35,212	
29	Do.	Towards cost of construction of a building for the manufacturing section, Ayurvedic Hospital	57,661	

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Sl. No.	Department	Description of service	Amount involved Rs.	Remarks
30	Public Health Department	Construction of Public latrine in Mulavukad	4,100	
31	Do.	Construction of a bus-stand and Waiting shed at Kanjani	5,000	
32	Do.	Construction of a bus-stand and Waiting shed at Kunnamkulam	27,750	
33	Vaccination	Temporary establishment and D. A., of staff entertained in connection with the newly started vaccination class	8,172	
34	Public Works Department	Deepening of canal between Trichur and Karanchira (C. O.)	10,500	
35	Do. Reconstructing	A damaged culvert on the Erumapetti road	12,500	
36	Public Works Department	Putting up of a temporary wooden bridge on the Trichur Kandassankadavu road	6,750	
37	Do.	Construction of 12 class rooms in the Trichur High school (B. O.)	35,000	
38	Do.	Construction of new building etc., in Training College	14,000	
39	Do.	Construction of Ernakulam Police line	13,200	
40	Do.	Construction of Mattancheri Police lines	23,800	
41	Do.	Acquisition charges of sites for constructing an additional reservoir at Kunnampadari on the Kunnamkattupathi system (I. O.)	23,000	
42	Do.	Construction of groynes to protect the coastal region from Manasery to Chellanam from sea erosion (I. O.)	2,82,000	
43	Do.	Constructing cooling arrangements is the Trichur Distillery (M. P. I. Original)	25,000	
44	Public Works Department	Renewal of earth-Mala—Adoor road (B.O.)	1	Token grant Rs. 2,873 (amount transferred)
45	Do.	Construction of culverts on the approach road to Pudukad Railway Station	1	Token grant Rs. 1,500 (amount transferred)
46	Do.	Constructing a small building and also to equip it with drawing instruments in connection with the Technical Training scheme	1	Token grant Rs. 5,000 (amount transferred)
47	Do.	Providing additional accommodation in the office of the Director of Food Supplies	1	Token grant Rs. 2,690-9-0 (amount transferred)
48	Do.	Improvements in the Ollukara Central Farm building (B.R.)	5,000	..
49	Do.	Re-construction of bridge in Nedungani Padagiri road	1	Token grant Rs. 22,050

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Sl. No.	Department	Description of service	Amount involved Rs.	Remarks
50	Public Works Department	Construction of latrine in Ernakulam Anchal Office	1,043	(By transfer)
51	Do.	Construction of groynes in Nayarambalam Village	1	Token grant Rs. 12,861 (amount transferred
52	Do.	Temporary establishment in the Alwaye Water works etc.	4,647	..
53	Industries transferred	Starting of Sales Emporium at Ernakulam	1,456	..
54	Labour	Organisation of the Employment Exchange	4,000	..
55	Miscellaneous—5—Textiles	Additional temporary Establishment for working of the distribution of cloth	13,532	..
56	Do.	do. do.	6,326	..
57	Do.	6. *Stamping Cotton Cloth*— Additional temporary establishment	2,170	..
58	Do.	do. do.	1,209	..

Recommendation of the Committee

We consider that all the items were correctly treated as "New Services."

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